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Acumen Marketing Sdn Bhd & Anor v Putrajaya Holdings Sdn Bhd & Ors

HIGH COURT (KUALA LUMPUR) — SUIT NO D5(IP)–22–404 OF 2005
TENGKU MAIMUN J
25 MAY 2010

Trademark — Copyright — Infringement — Industrial designs of N&B streetlamps designed by first plaintiff — Copyright of Diamond Optic Reflector System ('DOR system') owned by second plaintiff — Damages for infringement — Whether first plaintiff held proprietary rights over industrial designs on trust for first defendant — Whether industrial designs were property of first defendant — Whether DOR system lantern no longer eligible for copyright

The first defendant was entrusted with the task of coming up with a concept and design for Putrajaya, which met with certain set guidelines. Although the first defendant commissioned Sabit Acla to design the streetlamps in Putrajaya, it did not find any of the various concepts presented by Sabit Acla to be acceptable. The first plaintiff took advantage of this impasse by forming a working team to come up with the Nyonya and Baba streetlamps ('the N&B streetlamps'), which it presented to the first defendant. When the N&B streetlamp design was approved by the first defendant, the first plaintiff was given a direct contract for the supply and installation of the N&B streetlamps in Precinct 2, Putrajaya. A bill of quantities and a letter of award were issued by the first defendant to the first plaintiff and subsequently the parties executed a formal contract in respect of the said supply and installation. DW Windsor ('the second plaintiff'), a company incorporated in England, which was among other things the copyright holder of the Diamond Optic Reflector System ('the DOR system) had appointed the first plaintiff to be its sole agent to supply the diamond optic lanterns. The N&M streetlamps presented by the first plaintiff included the second plaintiff's patented DOR system lanterns but the first defendant was unaware of this. The first plaintiff complained that mockup streetlamps modeled on the industrial design in the N&B streetlamps had been installed by the first defendant in its compound, and that other streetlamps that were substantially similar to the N&B streetlamps had been installed by the first defendant in other precincts in Putrajaya without the first plaintiff's permission. The second to sixth defendants were the contractors or subcontractors responsible for the installation of the alleged N&B streetlamps in the other precincts in Putrajaya without the first plaintiff's permission. The plaintiffs claimed damages against the defendants for infringement of the first plaintiff's industrial design of the N&B streetlamps and for infringement of the second plaintiff's copyright in the DOR system. In its defence the first

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defendant averred that pursuant to the express terms of the contract that it had entered into with the first plaintiff it owned the industrial design of the N&B streetlamps. The first defendant thus counterclaimed against the first plaintiff for, inter alia, a declaration that the first plaintiff held the proprietary rights over the industrial designs on trust for the first defendant and for an order that the first plaintiff deliver the said rights by reassigning all its rights in the N&B streetlamp industrial designs to the first defendant. The plaintiffs' witnesses essentially testified that there was never any agreement by the first plaintiff to surrender the intellectual property rights to the first defendant. The first defendant submitted that the first plaintiff had agreed to transfer the ownership of the design to the first defendant provided that it was given an opportunity to directly supply the N&B streetlamps in Precinct 2, Putrajaya. The first defendant thus contended that it had awarded the contract to supply and install the N&B streetlamps to the first plaintiff on the condition that the industrial design to the N&B streetlamps belonged to it and that it would not have entered into the contract with the first plaintiff if the latter would still claim proprietary rights over the design. The two infringements that the plaintiffs complained of, ie the industrial design of the N&B streetlamps and the DOR system, centered on only one issue. This issue was whether the intellectual property rights had been vested in the first defendant pursuant to the contract entered into between the first plaintiff and the first defendant.

Held, dismissing the plaintiffs' claim against all the defendants with costs and allowing the first defendant's counterclaim with costs:

(1) Clause 33.2 of the contract, which was unambiguous, read together with item 2.0 of the bill of quantities provided that the drawings or design prepared or supplied by the first plaintiff in connection with the works would be the property of the first defendant. When cl 33 and item 2 were given a plain, natural and ordinary meaning the only conclusion that could be drawn was that the first plaintiff intended the drawings or design it prepared for the N&B streetlamps to be the property of the first defendant (see para 27).

(2) The plaintiff's witness' evidence that the parties never got round to discussing a price for the right to the industrial design of the N&B streetlamps contradicted the contract documents as the preamble to the bill of quantities specifically stated the price and rates. Further, the first plaintiff had written to the first defendant explaining that the 'time and effort spent in developing the concept and design for the project' had resulted in the higher price. Hence, the consideration for the industrial design had been factored into the contract between the first plaintiff and the first defendant as per the evidence of the defendants' witnesses (see paras 29–30).

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(3) Based on the evidence it was clear that the first defendant had commissioned the first plaintiff for the supply and installation of the streetlamps, and that the first plaintiff had designed the concept specifically for the first defendant. Thus, pursuant to s 10(2) of the Industrial Design Act 1996 the first defendant was the owner of the industrial design of the N&B streetlamps (see para 33).

(4) The fact that the mockup streetlamps modeled on the industrial design in the N&B streetlamps, which had been installed by the first defendant in its compound, were left standing showed that there was neither an admission of infringement nor any instruction for the mock up to be brought down (see para 36).

(5) The first plaintiff as an agent of the second plaintiff had handed over the rights of the lanterns by agreeing to enter into a contract with the first defendant. In the circumstances, even if the lanterns exhibited in Putrajaya featured the DOR system, it could not be said that the streetlamps were exhibited without the consent of the second plaintiff. Further there was evidence that the DOR system had been made available to the public in England since 1991 and the first plaintiff had reproduced the DOR system in Precinct 2, Putrajaya. Therefore the DOR system lantern was no longer eligible for copyright protection (see paras 43 & 46).

(6) The first defendant's counterclaim was premised on the terms agreed by way of the letter of award, the preamble to the bill of quantities, the bill of quantities and the main contract, which were all undisputed contemporaneous documents. As it was found that the rights in the industrial design vested in the first defendant it followed that the first defendant was also entitled to have the same assigned to it. As such the counterclaim was allowed as prayed with a consequential order that the first plaintiff's industrial design registration in respect of the N&B streetlamps be declared null and void and unenforceable (see para 48).

[Bahasa Malaysia summary

Defendan pertama telah diberi amanah melaksanakan tugas membuat konsep dan rekaan untuk Putrajaya, yang perlu mematuhi set garis pandun tertentu. Meskipun defendan pertama telah memberi tugas itu kepada Sabit Acla untuk mereka lampu jalan di Putrajaya, ia tidak berpuashati dengan satupun daripada pelbagai konsep yang dikemukakan oleh Sabit Acla. Plaintif pertama telah mengambil kesempatan daripada jalan buntu ini dengan membentuk pasukan bekerja untuk mereka lampu jalan Nyonya dan Baba ('lampu jalan N&B'), yang telah dikemukakannya kepada defendan pertama. Apabila rekaan lampu jalan N&B diluluskan oleh defendan pertama, plaintif pertama telah diberikan kontrak secara langsung untuk membekal dan memasang lampu jalan N&B di Presinct 2, Putrajaya. Satu bil kuantiti dan surat award telah dikeluarkan oleh

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defendan pertama kepada plaintif pertama dan berikutan itu pihak-pihak telah memasuki satu kontrak formal berkaitan bekalan dan pemasangan tersebut. DW Windsor ('plaintif kedua'), sebuah syarikat yang diperbadankan di England, yang mana, antara lain, merupakan pemegang hak milik Diamond Optik Reflector System ('sistem DOR') telah melantik plaintif pertama sebagai ejen tunggalnya untuk membekal pelita berlian optik itu. Lampu jalan N&B yang telah dikemukakan oleh plaintif pertama termasuklah pelita sistem DOR plaintif kedua yang telah dipatenkan tetapi defendan pertama tidak menyedari hal ini. Plaintif pertama telah mengadu bahawa contoh replika lampu jalan yang dijadikan model pada rekaan perusahaan untuk lampu jalan N&B telah dipasang oleh defendan pertama di kawasannya, dan bahawa lampu jalan lain yang sama dengan lampu jalan N&B telah dipasang oleh defendan pertama di precinet lain di Putrajaya tanpa kebenaran plaintif pertama. Defendan-defendan kedua hingga keenam merupakan kontraktor dan subkontraktor yang bertanggungjawab untuk pemasangan lampu jalan N&B yang dikatakan itu di presinct lain di Putrajaya tanpa kebenaran plaintif pertama. Plaintif-plaintif menuntut ganti rugi terhadap defendan-defendan kerana pelanggaran reka bentuk perindustrian lampu jalan N&B plaintif pertama dan kerana pelanggaran hak cipta sistem DOR plaintif kedua. Dalam pembelaannya defendan pertama menegaskan bahawa menurut syarat-syarat nyata kontrak yang dimasukinya dengan plaintif pertama reka bentuk perindustrian lampu jalan N&B itu adalah miliknya. Defendan pertama dengan itu telah menuntut balas terhadap plaintif pertama untuk, antara lain, satu deklarasi bahawa plaintif pertama memegang hak milik ketuanpunyaan ke atas reka bentuk perindustrian atas amanah bagi pihak defendan pertama dan satu perintah agar plaintif pertama menyerahkan hak-hak tersebut dengan menyerahkan semua hak-haknya dalam reka bentuk perindustrian lampu jalan N&B itu kepada defendan pertama. Saksi-saksi plaintif-plaintif khususnya memberi keterangan bahawa tidak pernah ada perjanjian oleh plaintif pertama untuk menyerahkan hak harta intelektual kepada defendan pertama. Defendan pertama berhujah bahawa plaintif pertama telah bersetuju untuk memindahkan hak milik rekaan itu kepada defendan pertama dengan syarat agar ia diberi peluang untuk membekal secara langsung lampu jalan N&B itu di Precinct 2, Putrajaya. Defendan pertama oleh itu menegaskan bahawa ia telah mengawardkan kontrak untuk membekal dan memasang lampu jalan N&B itu kepada plaintif pertama dengan syarat bahawa reka bentuk perindustrian lampu jalan N&B miliknya dan bahawa ia tidak mungkin memasuki kontrak dengan plaintif pertama jika plaintif pertama masih menuntut hak ketuanpunyaan rekaan itu. Dua pelanggaran yang diadukan oleh plaintif-plaintif, iaitu reka bentuk perindustrian lampu jalan N&B dan sistem DOR, berkisarkan satu isu sahaja. Isu tersebut adalah sama ada hak harta intelektual telah diberikan kepada defendan pertama menurut kontrak yang dimasuki antara plaintif pertama dan defendan pertama.

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Diputuskan, menolak tuntutan plaintif terhadap kesemua defendan dengan kos dan membenarkan tuntutan balas defendan pertama dengan kos:

(1) Fasal 33.2 kontrak, yang tidak taksa, dibaca bersama item 2.0 bil kuantiti memperuntukkan bahawa lakaran atau rekaan yang disediakan atau diberikan oleh plaintif pertama berkaitan kerja itu adalah harta defendan pertama. Apabila fasal 33 dan item 2 diberikan maksud biasa dan semulajadi satu-satunya kesimpulan yang boleh diperoleh adalah bahawa plaintif pertama telah berniat yang lakaran atau rekaannya yang disediakan untuk lampu jalan N&B itu menjadi harta defendan pertama (lihat perenggan 27).

(2) Keterangan saksi-saksi plaintif-plaintif bahawa pihak-pihak tidak pernah membincangkan harga untuk hak terhadap reka bentuk perindustrian lampu jalan N&B bercanggah dengan dokumen kontrak kerana mukadimah kepada bil kuantiti itu dengan khusus menyatakan harga dan kadar. Bahkan, plaintif pertama telah menulis kepada defendan pertama menjelaskan bahawa 'time and effort spent in developing the concept and design for the project' telah mengakibatkan harga yang lebih tinggi. Justeru itu, balasan untuk reka bentuk perindustrian itu telah diambilkira dalam kontrak antara plaintif pertama dan defendan pertama sepertimana keterangan saksi-saksi defendan-defendan (lihat perenggan 29–30).

(3) Berdasarkan keterangan adalah jelas bahawa defendan pertama telah memberi tugas kepada plaintif pertama untuk membekal dan memasang lampu jalan, dan bahawa plaintif pertama telah mereka konsep itu khususnya untuk defendan pertama. Oleh itu, menurut s 10(2) Akta Reka Bentuk Perindustrian 1996 defendan pertama adalah pemilik reka bentuk perindustrian lampu jalan N&B itu (lihat perenggan 33).

(4) Fakta bahawa contoh replika lampu jalan yang dijadikan model pada reka bentuk untuk lampu jalan N&B, yang telah dipasang oleh defendan pertama di kawasannya, telah dibiarkan begitu menunjukkan bahawa tiada pengakuan tentang pelanggaran mahupun apa-apa bahan untuk menurunkan contoh replika lampu jalan itu (lihat perenggan 36).

(5) Plaintif pertama sebagai ejen kepada plaintif kedua telah menyerahkan hak-hak pelita-pelita itu dengan bersetuju untuk memasuki kontrak dengan defendan pertama. Dalam keadaan berikut, meskipun pelita-pelita yang dipamerkan di Putrajaya mempunyai sistem DOR, tidak boleh dikatakan bahawa lampu jalan tersebut dipamerkan tanpa persetujuan plaintif kedua. Bahkan terdapat keterangan bahawa sistem DOR itu telah sedia ada untuk orang awam di England sejak 1991 dan plaintif pertama telah menghasilkan semula sistem DOR di Precint 2, Putrajaya. Oleh itu pelita sistem DOR tidak lagi berhak mendapat perlindungan hak cipta (lihat perenggan 43 & 46).

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(6) Tuntutan balas defendan pertama berasaskan syarat-syarat yang dipersetujui melalui surat award, mukadimah kepada bil kuantiti, bil kuantiti dan kontrak utama, yang kesemuanya dokumen-dokumen semasa yang tidak dipertikaikan. Oleh kerana didapati bahawa hak-hak terhadap reka bentuk perindustrian terletak pada defendan pertama adalah diikuti bahawa defendan pertama juga berhak memperoleh yang sama. Dengan itu tuntutan balas itu dibenarkan seperti dipohon dengan perintah tambahan bahawa reka bentuk perindustrian plaintif pertama berkaitan lampu jalan N&B diisytiharkan terbatal dan tidak sah dan tidak boleh dikuatkuasakan (lihat perenggan 48).]

Notes

For cases on infringement in general, see 3(2) *Mallal's Digest* (4th Ed, 2010 Reissue) paras 5687–5715.

Cases referred to

Creative Technology Ltd v Aztech Systems Pte Ltd [1997] 1 SLR 621, CA (refd)
Elster Metering Ltd & Anor v Premier Amalgamated Sdn Bhd [2010] 2 CLJ 149, HC (refd)
Faber Merlin (M) Sdn Bhd & Ors v Lye Thai Sang & Anor [1985] 2 MLJ 380, SC (refd)
Goh Gok Hoon v Abdul Hamid & Anor [1967] 1 MLJ 36 (refd)
Honda Giken Kogya Kabushiki Kaisha v Allied Pacific Motor (M) Sdn Bhd & Anor [2005] 3 MLJ 30; [2005] 6 CLJ 174, HC (refd)
Munusamy v PP [1987] 1 MLJ 492, SC (refd)
Selvaduray v Chinniah [1939] MLJ 253 (refd)

Legislation referred to

Copyright Act 1987 ss 3, 7(6), 36
Evidence Act 1950 ss 91, 92, 114(g)
Industrial Design Act 1996 ss 10(2), 22(3), 25(1), 30

Cheow Wee (Yap Keng Siong and Soh Gee Kian with him) (Cheow Wee) for the plaintiffs.
Shahul Hameed Amirudin (Sonia Anirudhan with him) (Zul Rafique & Partners) for the first defendant.
Cindy Goh Joo Seong (Cheang & Ariff) for the second defendant.
Siew Chun Tut (Abdullah, Ooi & Chan) for the third and fifth defendant.
Satish V Nair (Satish, Alli & Associates) for the fourth defendant.
TA Sivam (T Ananthasivam) for the sixth defendant.

Tengku Maimun J:

[1] The plaintiffs' claim against the defendants is for damages for infringement of copyright in the 'Diamond Optic' reflector system and for

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infringement of industrial design of the 'Nyonya & Baba' streetlamps. From the evidence led, the court found the following facts forming the background to this dispute.

THE FACTS

[2] Putrajaya Corp ('PJC') is the local authority incorporated to develop, administer and manage the Federal Territory of Putrajaya ('Putrajaya'). The first defendant, Putrajaya Holdings Sdn Bhd ('PJH') is the master developer of Putrajaya. PJH was entrusted with the task of coming up with a concept and design for Putrajaya whether architectural or otherwise which meets the guidelines set by PJC. Towards that end, PJH is responsible for selecting the contractor for the projects in Putrajaya. PJH had awarded the architectural consultancy services for road landscape works at Precinct 2, Putrajaya to a company known as Sabit Acla Sdn Bhd.

[3] Sabit Acla was required to come up with the design for amongst others, the street lights. Sabit Acla had developed and presented on various options of the street lighting concept to PJH and PJC but the concept was not accepted. Sometime in the year 2000, the first plaintiff ('Acumen') came to know of the impasse. Acumen then organised a working design team comprising the officers/employees of Acumen and Advance Industries Sdn Bhd, Acumen's related company. The team developed a design concept coined as 'Nyonya and Baba' design concept for the street lighting poles and its accessories. The primary person who prepared the design was one Mr Alvin Lee ('PW3') the Research & Development Assistant Manager with Advance Industries.

[4] Acumen in collaboration with Sabit Acla presented the designs known as the 'Tepak Sireh', 'Keronsang' and the 'Hairpin designs (N&B streetlamps) to PJC and PJH. Although Acumen collaborated with Sabit Acla for the presentation, Acumen came up with the designs as an independent entity. The fact that Acumen designed the concept as a separate entity was not known to PJH until they were subsequently informed of the same by Sabit Acla. The N&B streetlamp designs were approved by PJH and PJC.

[5] The second plaintiff ('DW Windsor'), a company incorporated in England was in the business of designing and manufacturing luminaries, lanterns and related components such as columns and brackets. One of the products of DW Windsor is the Diamond Optic reflector system created by one of its employees. Copyright of the Diamond Optic reflector system belongs to DW Windsor. Acumen is the sole agent appointed by DW Windsor to supply the Diamond Optic lanterns (incorporating the reflector system) to be fitted to the streetlights for installation in Malaysia. The proposed technical specifications for the N&B streetlamps presented by Acumen included DW

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Windsor's patented Diamond Optic luminaire and its proprietary lanterns, but insofar as PJH is concerned, they were not aware of DW Windsor's connection in the N&B streetlamps.

[6] Vide Malaysian industrial design registration No MY 01–00304, the industrial design of the N&B streetlamps (for the poles as well as the lantern) was registered in the name of Advance Industries on 14 June 2001 ('exh P2'). Vide a deed of assignment dated 18 June 2002 the ownership of the industrial design of the N&B streetlamps was transferred to Acumen. Acumen however only applied to register the assignment in June 2004. The application by Acumen for the registration of the assignment was received by the Intellectual Property Corporation of Malaysia on 10 June 2004 and the assignment was recorded by the Registrar of the Industrial Design on 14 June 2004 ('exh P3'). The date for 'Tarikh pindah milik' of the industrial design was however stated as 18 June 2001 by the Registrar.

[7] Although Acumen initially collaborated with Sabit Acla in proposing the N&B streetlamps to PJH, Acumen was awarded a direct contract for the project of installing the street lighting poles and its accessories at Road 6 and Precinct 2 West, Precinct 2 Putrajaya. A bill of quantities dated 24 August 2001 (exh P17) and a letter of award dated 2 October 2001 were issued by PJH to Acumen. Acumen subsequently executed a formal contract dated 26 August 2002 ('exh D35') with PJH for the said project.

[8] Item 1.0 of the bill of quantities states that 'The price and rates filled in the Bill of Quantities shall include the cost of design of the pole as indicated in the drawings.' Item 2.0 of the Bill of Quantities states that 'the design, pattern, concept, specifications and other works in relation to and associated with the streetlighting shall become property of Putrajaya Holdings. We reserve our rights to use, utilise, apply, exploit, implement, execute, carry out etc the design, pattern, concept, specifications and other works in relation to and associated with the streetlighting for other projects for the development of Putrajaya whether or not involving the contractor. The contractor shall not make any claims, demands, charges whatsoever against us in the event we exercise the right reserved herein.'

[9] Clause 33 of the conditions of contract provides for the patent rights. It states:

> 33. PATENT RIGHTS …
>
> 33.1 The Contractor shall save harmless and indemnify the Employer from and against all claims and proceedings for or on account of infringement of any copyright, patent rights, design, trademark or name or other protected rights in respect of any plant, machine work, Equipment,

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materials or goods used for or in connection with the Works or any of them and from and against all claims, demands, proceedings, damages, costs, charges and expenses whatsoever in respect thereof or in relation thereto …

33.2Any drawings, specifications, quantities, plans, diagrams, sketches, data and other technical information supplied to the Contractor by the Employer or prepared or supplied by the Contractor in connection with the Works together with any and all knowledge of the business and operations of the Employer which the Contractor may acquire, shall be the property of the Employer and shall be considered strictly confidential and shall not be re-used, published or otherwise disclosed in any manner either during the performance of the Contractor's obligations under the Contract or after completion thereof, except upon the express written approval of the Employer.

[10] The infringing acts of the defendants complained of consist of the installation of mock up streetlamps in March 2002 in the compound of PJH modeled on the industrial design in the N&B streetlamps and the installation of streetlamps substantially similar to the N&B streetlamps at Precinct 2 East, Precincts 3, 4, 5, 6 and 18 Putrajaya without the prior consent or permission of the plaintiffs.

[11] There is no dispute that the mock up was put up at the instructions of PJH. Although there was no conclusive evidence as to the contractor who put up the mock up, the evidence suggests that it was done by the second defendant. The third, fourth, fifth and the sixth defendants are the contractors/subcontractors responsible for the installation of the alleged infringing streetlamps at the Precinct 2 East, Precincts 3, 4, 5, 6 and 18 Putrajaya.

[12] The defence of PJH is that pursuant to the express term of the contract entered into between Acumen and PJH, all intellectual property rights of the drawings, design and products used in the project including the design of the N&B streetlamps belong absolutely to PJH. PJH is therefore counterclaiming against Acumen for, inter alia, a declaration that Acumen holds the proprietary rights over the industrial designs on trust for PJH and for an order that Acumen deliver the said rights by re-assigning all the rights in the aforesaid industrial designs to PJH. The defence of the other defendants is similarly premised on the ground that PJH owns the industrial design of the N&B streetlamps.

THE EVIDENCE

[13] The evidence of the plaintiffs' witnesses essentially is that there was never any agreement by Acumen to surrender the intellectual property rights to

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PJH. PW2, the consultant for Acumen who was involved in the development and presentation of the N&B design concept gave evidence that:

> right from the very beginning and throughout the conceptualization, presentation and approval of the said N&B design concept, there was never any question of Acumen giving up any rights over N&B design concept to PJH without any financial consideration for it. If at all, the common understanding between parties was that Acumen was prepared to discuss the same if the price is right. Now, how could PJH possibly demand Acumen hand over our rights to our N&B design concept, when it was never agreed for in the first place.

[14] PW2 also testified that there were negotiations between Acumen and PJH where PJH was informed that Acumen would only transfer the rights to the industrial design of the N&B streetlamps on the following conditions:

(a) if Acumen was made the sole and exclusive supplier of streetlight in Precinct 2; and

(b) Acumen was invited to tender for streetlighting contracts in Precincts 3, 4, 5, 6 and 18 in Putrajaya and all other streetlighting contracts undertaken by PJH utilising the N&B streetlamps.

[15] The negotiations for the transfer of the rights to the industrial design of the N&B streetlamps, according to PW2, were never concluded because PJH never reverted to Acumen. PW2 also testified that one Dato' Hashim Hassan, the former CEO of PJH had agreed there was an infringement by PJH in respect of the mock up streetlamps and that Dato' Hashim Hassan had informed one Encik Norazmi of PJH ('DW1') to bring the mock ups down.

[16] PW6, the managing director of DW Windsor gave evidence that based on the records of DW Windsor, Diamond Optic reflector system has been reduced into material form and has been made available to the public in England since October 1991. PW6 further testified that DW Windsor is the patent owner of various application filed in Great Britain, USA, Japan, Canada, European Patent Office and Australia but there is no patent registered on behalf of DW Windsor in respect of the Diamond Optic in Malaysia. PW6 also highlighted the differences between DW Windsor's Diamond Optic lanterns and the lanterns found at Precincts 2 East, Precincts 3, 4, 5, 6 and 18.

[17] PW8, the director for both Acumen and Advance Industries testified that as Acumen was the company which executed the contract with PJH for the supply and delivery of the street lighting, the ownership of the industrial designs was transferred from Advance Industries to Acumen pursuant to a deed of assignment dated 18 June 2002. When asked why the application for the recordal of the assignment was only made in June 2004, his explanation was that they did not know that it was a requirement under the law until they

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consulted their copyright consultants in the light of this dispute with PJH. PW8 also gave evidence on the losses suffered by Acumen as a result of the alleged infringement by the defendants.

[18] For PJH, the evidence of DW1 is that sometime in June 2001 there were negotiations between PJH and Acumen on the proprietary rights of the design of the street lighting poles and its accessories. The conclusion of the negotiations in June 2001 was that Acumen agreed to transfer the ownership of the design provided that Acumen is given an opportunity to directly supply the poles and its accessories at certain road packages in Precinct 2. It was further the evidence of DW1 that PJH would not enter into a contract with Acumen to supply the street lighting poles and its accessories in Putrajaya if the ownership of the design was not transferred to PJH for their absolute use.

[19] DW1 also testified that he did not recall Dato' Hashim asking him to take down the mock up streetlamps. DW1 further said that there was no reason to take down the mock up despite the alleged protests by Acumen as his understanding was that the rights and patent over the design belongs to PJH.

[20] DW3, the CEO of PJH said that PJH initially proposed to purchase just the design of the streetlights and the lanterns from Acumen. However purchasing the value of the design was just a small amount and Acumen wanted something substantial which is the contract with PJH to supply directly the streetlights and the accessories. DW3 said PJH agreed to award Acumen a direct contract for the installation of the Nyonya Baba street lights and its accessories for certain road packages at Precinct 2 and Acumen agreed to transfer all property rights over that design and drawings of the same to PJH.

[21] DW3 further said PJH agreed to such an arrangement because the rates for the supply of the streetlights quoted by Acumen included the value of the design. According to DW3, PJH therefore awarded Acumen the contract containing a standard term that the design belongs to PJH and that PJH would not have entered into the contract with Acumen, had they known that Acumen would still claim proprietary rights over the design.

[22] On the allegation by Acumen that there was a verbal communication between Acumen and PJH that the assignment of industrial design is possible if Acumen is made the sole and exclusive supplier of streetlights in Precinct 2 and Acumen is invited to tender for street lighting contracts in Precincts 3, 4, 5, 6 and 18 at Putrajaya and all other street lighting contracts undertaken by PJH utilising the N&B design, DW3 said that he was aware that there were some negotiations but he believed that all this was settled once PJH awarded

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Acumen what they have requested for, which is to directly supply streetlights for road packages at Precinct 2 and when Acumen signed the contract documents.

[23] As for the mock up streetlamps, DW3 said it was installed after Acumen agreed that the design of the street lighting poles and its accessories belong to PJH and that Acumen shall have no claim against it. It was further the evidence of DW3 that in response to the claim of infringement made by Acumen, PJH wrote a letter dated 3 March 2004 denying any infringement and annexing a deed of assignment to be executed by Acumen in favour of PJH. When asked why was the deed of assignment forwarded to Acumen if the proprietary rights to the design of the street lights and accessories were transferred to PJH pursuant to the contract, DW3 said it was to ensure that Acumen abided by their obligations under the contract and to put an end to the allegation of infringement.

[24] The other defendants did not call any witnesses.

FINDINGS

[25] There are two aspects of infringement alleged by the plaintiffs. The first relates to the industrial design of Acumen's N&B streetlamps and the second was in respect of DW Windsor's copyright in Diamond Optic reflector system. For both infringements, the issue would be whether the intellectual property rights had been vested in PJH pursuant to the contract entered into between Acumen and PJH.

WHETHER THERE WAS AN INFRINGEMENT OF ACUMEN'S INDUSTRIAL DESIGN

[26] Learned counsel for the respective defendants submitted that pursuant to the contract, PJH is the lawful owner of the industrial design. For the plaintiffs it was submitted that cl 33.2 of the contract only dealt with PJH's right to use the N&B streetlamps strictly for the supply and installation of the N&B streetlamps for Precinct 2 but not the transfer and assignment of intellectual property rights in the industrial design per se.

[27] It is a cardinal rule of interpretation of documents that the intention of the parties must be gathered from the written instrument itself (see *Goh Gok Hoon v Abdul Hamid & Anor* [1967] 1 MLJ 36). Clause 33.2 of the contract read together with item 2.0 of the bill of Quantities provides that the drawings or design prepared or supplied by Acumen in connection with the works shall be the property of PJH. Clause 33 in my view is unambiguous. It intended to give the intellectual property rights in the design of the N&B streetlamps

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prepared by Acumen for the supply and installation of the streetlamps in Putrajaya to PJH. Giving cl 33 and item 2 the plain, natural and ordinary meaning leaves me with no other conclusion except that the drawings or design prepared by Acumen for the N&B streetlamps shall be the property of PJH.

[28] Further, the provisions in cl 33.2 that 'Any drawings … shall be the property of the Employer … and shall not be re-used … except upon the approval of the Employer …', is in accord with the oral evidence of DW3 that 'Putrajaya development was intended to be a new Capital development, the construction of which every detail is to be unique and not found anywhere else'. Acumen certainly knew the fact that it is important for PJH to own the intellectual property rights. This could be seen from the testimony of PW2 who said 'PJH have to ensure that all Putrajaya projects are completed and handed over to PJC free of any encumbrances such as intellectual property infringement and other issues'. It therefore makes sense that Acumen had signed the contract incorporating the relevant clauses cited above. The issue on the intellectual property and the issue relating to the awarding of contracts to Acumen for the supply of streetlamps to Precinct 2 East, Precincts 3, 4, 5, 6 and 18 had been put to rest by the contract.

[29] The evidence of PW2 that there was never any question of Acumen giving up any rights over the industrial design of N&B streetlamps without any financial consideration for it and that the parties never got round to discussing a price with PJH's management team contradicts the contract documents as the preamble to the bill of quantities specifically states that the price and rates filled in the bill of quantities shall include the cost of design of the pole and the lantern. PW2's evidence also contradicts the testimony of PW8 who, when asked to clarify on the tendered price said that 'It would be for the design'.

[30] Further, vide a letter dated 10 August 2001 ('exh D34') Acumen had written to PJH explaining the price they quoted for the supply and installation of the street lighting pole and its accessories at Precinct 2. One of the reasons given on why the price was higher was 'time and effort that we spent in developing the concept and design for this project'. Hence, as submitted by learned counsel for PJH, the consideration for the industrial design has been factored into the contract between Acumen and PJH and as per the evidence of DW3, Acumen was given direct contract in return for the design rights. And given the express provisions of the contract cited above, I must agree with learned counsel for the second defendant and the fourth defendant that extrinsic evidence to challenge the terms of the contract is excluded under ss 91 and 92 of the Evidence Act (see *Faber Merlin (M) Sdn Bhd & Ors v Lye Thai Sang & Anor* [1985] 2 MLJ 380).

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[31] It was argued for the plaintiffs that PJH is estopped from raising the rule against parol evidence as PJH had continued to enter into negotiations and had meetings in 2003 with the representatives of Acumen despite the completion of the contract.

[32] It must be noted that it was only in 2003 that the representatives of PJH were informed that Acumen had registered the three concepts of N&B streetlighting design and it was only in 2003 that complaints from Acumen arose in respect of the infringements and that Acumen was excluded from Precinct 2 East. It follows therefore that only then would meetings be held to address those complaints. Thus, based on the above, the fact that meetings were held after the contract was concluded could not be found against PJH.

[33] For the defendants it was also submitted that Acumen having been commissioned by PJH for the supply and installation of the streetlamps, PJH shall be deemed to be the owner of the industrial design pursuant to s 10(2) of the Industrial Design Act 1996 ('IDA') which provides that 'Where an industrial design is created in pursuance of a commission for money or money's worth, the person commissioning the industrial design shall, subject to any contrary agreement between the parties, be treated as the original owner of the industrial design'.

[34] For the plaintiffs it was submitted that there must be a valid, written agreement signed by the parties and PJH must specifically ordered or commissioned the concept of work and the written agreement must state that the work or concept was made for this agreement. It was contended that in the instant case PJH is merely a user of the work or design owned by Acumen.

[35] Learned counsel for the plaintiff seem to have overlooked the fact that although it was Sabit Acla who was commissioned to design the streetlamps, Acumen had taken advantage of the impasse by forming the working team to come up with the N&B streetlamp. Acumen then presented the design which was approved by PJH and PJC and thereafter Acumen was given a direct contract for the supply and installation of the N&B streetlamps. From the evidence it is obvious to me that Acumen had designed the concept specifically for PJH, for the purposes which Sabit Acla was earlier on commissioned. I would therefore agree with the defendants that pursuant to s 10(2) of the IDA, PJH is the owner of the industrial design of the N&B streetlamps.

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[36] The plaintiffs contended that PJH had, through its former CEO, Dato' Hashim Hassan had admitted to the infringement and that Dato' Hashim Hassan had informed DW1 to bring it down. DW1's testimony is that he did not recall Dato' Hashim calling him in respect of the mock ups. In my view, the evidence of DW1 is more probable. If indeed Dato' Hashim as the CEO of PJH had given instructions to DW1 who was the General Manager to bring down the mock ups, it is inherently improbable that the instructions would not be carried out. The fact that the mock ups are left standing, in my view shows that there was never an admission of infringement nor was there any instruction for the mock up to be brought down.

[37] A point was raised on the registration of the deed of assignment. Learned counsel for the plaintiff submitted that s 22(3) of the IDA provides that the certificate of registration shall be prima facie evidence of the validity of the registration. For PJH it was argued that the certificate of registration of the assignment is impeachable as s 25(1) of the IDA states that the registration of the industrial design shall be deemed to come into force on the filing date of the application for the egistration of the industrial design and that the provision does not allow the registrar to act retrospectively. The same argument was advanced by learned counsel for the sixth defendant. It was contended that nothing in the IDA gives the registrar the power or the right to back date an assignment.

[38] The relevant provision in respect of this point is found in s 30 of the IDA which provides:

> (1) Where any person becomes entitled by an assignment or transmission or through other operation of law to a registered industrial design or to an application for the registration of an industrial design, he shall apply to the Registrar in the prescribed manner to have such assignment, transmission or other operation of law recorded in the Register.
>
> (2) No assignment, transmission or other operation of law in respect of a registered industrial design shall have effect against third parties unless recorded in the Register."

[39] To recap, the registration of the deed of assignment was filed by Acumen in June 2004 but the registration was backdated by the Registrar of the Industrial Design to 18 June 2001. This clearly runs foul of the above quoted section which does not provide for the registration to operate retrospectively (see *Elster Metering Ltd & Anor v Premier Amalgamated Sdn Bhd* [2010] 2 CLJ 149; *Honda Giken Kogya Kabushiki Kaisha v Allied Pacific Motor (M) Sdn Bhd & Anor* [2005] 3 MLJ 30; [2005] 6 CLJ 174). I would in the circumstances agree with the defendants that the registration of the assignment is liable to be set aside.

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WHETHER THERE WAS AN INFRINGEMENT OF COPYRIGHT OF THE DIAMOND OPTIC REFLECTOR SYSTEM

[40] Insofar as DW Windsor's Diamond Optic reflector system is concerned, I accept that the drawings authored by an employee of DW Windsor constitute an artistic work as set out in s 3 of the Copyright Act 1987. Be that as it may, the plaintiff has not discharged the burden to prove copying as no evidence was led on the similarities between DW Windsor's Diamond Optic reflector system and the lanterns installed by the defendants. In *Creative Technology Ltd v Aztech Systems Pte Ltd* [1997] 1 SLR 621 it is stated at p 634:

> The burden of proof does remain with the plaintiff in an infringement claim, to prove copying and access to his work, and, where there is sufficient resemblance shown between the two works, he will invite the court to draw an inference of copying.

[41] Quite apart from that, as testified by PW6, Acumen is the sole agent for the supply of DW Windsor's Diamond Optic lanterns which incorporates the reflector system. PW6 had also given evidence that standard drawings of the Diamond Optic Reflector system were given to Acumen. Acumen had, when presenting the N&B design concept to PJH included the technical specification of the Diamond Optic lanterns produced by DW Windsor. PW6 also admitted that the lanterns seem to have been registered through the industrial design.

[42] Section 36 of the Copyright Act 1987 provides:

> (1) Copyright is infringed by any person who does, or causes any other person to do, without the consent or licence of the owner of the copyright, an act the doing of which is controlled by copyright under this Act.
>
> (2) Copyright is infringed by any person who, without the consent or licence of the owner of the copyright, imports an article into Malaysia for the purpose of —
>
> (a) selling, letting for hire, or by way of trade, offering or exposing for sale or hire, the article;
>
> (b) distributing the article —
>
> (i) for the purpose of trade; or
>
> (ii) for any other purpose to an extent that it will affect prejudicially the owner of the copyright; or
>
> (c) by way of trade, exhibiting the article in public, where he knows or ought reasonably to know that the making of the article was carried out without the consent or licence of the owner of the copyright.

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[43] Acumen as an agent of DW Windsor, in my view, had handed over the rights of the lanterns by agreeing to enter into a contract with PJH. In the circumstances, even if the lanterns exhibited at Putrajaya featured DW Windsor's Diamond Optic reflector system (of which there is no such evidence), it cannot be said that the lanterns were exhibited without the consent of DW Windsor.

[44] Learned counsel for PJH and learned counsel for the fourth defendant had also submitted that under s 7(6) of the Copyright Act 1987, the lantern is no longer eligible for copyright protection as it had been reproduced more than 50 times.

[45] Section 7(6) provides:

> Copyright in any design which is capable of being registered under any written law relating to industrial design, but which has not been so registered, shall cease as soon as any article to which the design has been applied has been reproduced more than fifty times by an industrial process by the owner of the copyright or, with his licence, by any other person.

[46] I am in agreement with learned counsel. There is evidence that the Diamond Optic reflector system has been made available to the public in England since 1991 and certainly Acumen had reproduced the Diamond Optic reflector system at Precinct 2 West and Road 6 Putrajaya.

[47] Finally, with regards to s 114(g) of the Evidence Act 1950, learned counsel for the plaintiffs submitted that adverse inference ought to be made against the defendants for not calling witnesses. It is not the case here that the defendants are withholding or suppressing evidence. In any event, the burden is on the plaintiffs to prove their claim. Thus, the failure by the defendants to call a material witness would not raise an adverse presumption under s 114(g) of the Evidence Act 1950 (see *Munusamy v Public Prosecutor* [1987] 1 MLJ 492; *Selvaduray v Chinniah* [1939] MLJ 253).

[48] Looking at the evidence in totality, I find that the plaintiffs have failed to establish their case. The rights in the industrial design of the N&B streetlamps which includes DW Windsor's Diamond Optic reflector system had been vested in PJH. The plaintiffs' claim against all the defendants is dismissed with costs. As for PJH's counterclaim, it is premised on the terms agreed by way of the letter of award, preamble to the bill of quantities, the bill of quantities and the main contract, all of which are undisputed contemporaneous documents. Given my finding that the rights in the industrial design vests in PJH, it follows that PJH is entitled to have the same assigned to it. The counterclaim is allowed as prayed with costs and with a

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consequential order that Acumen's Industrial Design Registration MY 01–00304 be declared null and void and unenforceable and be cancelled.

Plaintiffs' claim against all defendants dismissed with costs and first defendant's counterclaim allowed with costs.

Reported by Kohila Nesan